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OPERATIONS DIRECTORATE SUPPORT OFFICERS' MEETING

DD/M&S Conference Room

11 April 1973

1. Present were:

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2. No regular DDO Staff Meeting.

3. Other items of interest.

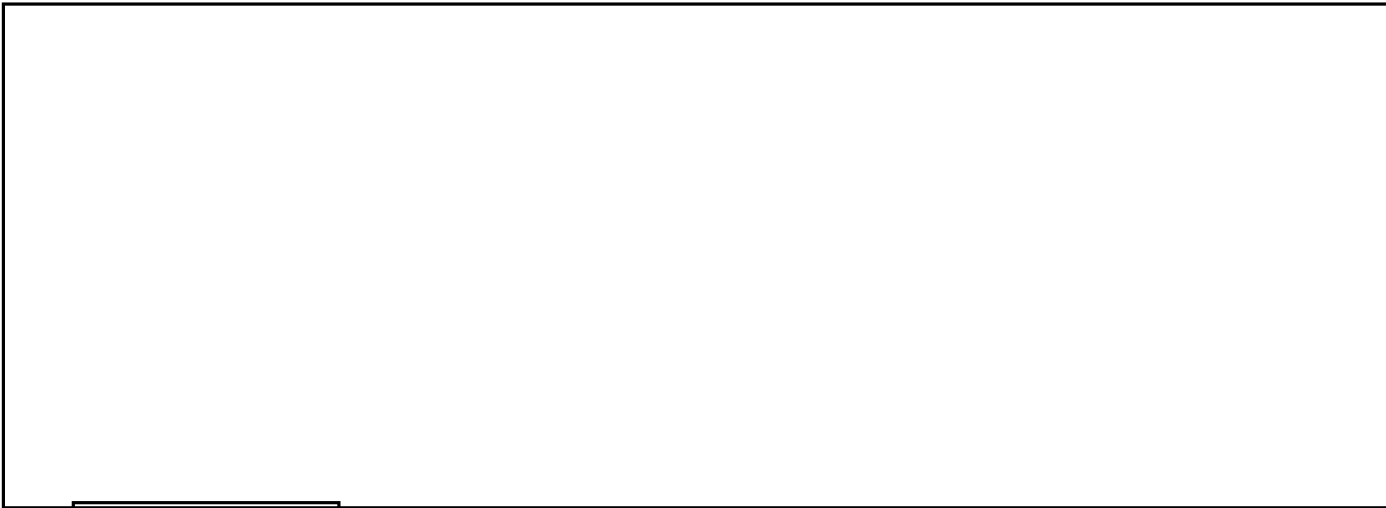
a. Visits to Headquarters by Employee's Wives and Husbands and Telephone Answering Procedures. The Executive Secretary of the CIA Management Committee has issued a four paragraph memorandum dated 5 April 1973 on these subjects which we reproduce here with annotations:

"1. The above memoranda reflect the Director's conscious policy to remove artificial security restrictions which may have been imposed on matters not requiring such restrictions. At the same time the Director has stressed his full emphasis on the maintenance of security for those matters requiring it. In fact, his purpose is that better security be provided to matters requiring security and an end to contemptuous attitudes based on the misapplication of security procedures where not needed.

"2. In general, individuals in headquarters who require the maintenance of cover occupy offices in the southern half of the building. Consequently casual visitors such as employee's families and to the extent feasible liaison relationships will be conducted in the northern half of the building, with the exception of the exhibit hall in corridor 1D. People under cover should generally restrict their activities to the southern half of the building."

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25X1A [redacted] is continuing his study of this procedure and will recommend to DDO such further instructions as may be necessary. In the meantime, Erich asks that you continue to answer your telephones by number.)

"4. If further steps are taken following the general policy expressed in paragraph 1, Directorates and Offices are expected to provide for limitations as may be required by legitimate cover considerations."

b. Disability Retirement and Sick Pay Exclusion. We have given you a revised IRS Publication 567 (10-72 entitled, "Tax Information on U.S. Civil Service Retirement and Disability Retirement." It does not contain any significant variation from the Publication 567 (10-71) edition which we gave you last week. The main difference between the two publications is in rewording of several paragraphs and reorganization of the material. In the newer edition (see page 12), readers are provided with more information as to where additional discussions on community property (Publication 555) and Civil Service retirement benefits (Publication 721) can be obtained. There is no change in the \$100 a week sick pay exclusion or the standard for determining "retirement date" for sick pay exclusion purposes.


c. CIARDS Ceiling. The Director appeared before the Senate Committee on 5 April and on 10 April the Senate passed the bill to increase the CIARDS ceiling to 2100 for the 5 year period ending 30 June 1974. The bill now provides for a ceiling of 1500 for the 5 year period ending 30 June 1979. Harry Fisher noted that the Senate-passed bill will be on the House consent calendar for action on 18 April.

d. Planned June Retirements - Agency Wide. On 31 March, OP listed planned retirements in June of 92 under CIARDS, 64 under CSRS. Harry Fisher predicts the total may approach 400.

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f. New Payroll System. As part of our continuing dialog, the Office of Finance assures us that personnel being shifted from a 4-week to the 2-week pay period will have deductions withheld for WAEPA and UBLIC if they were in effect under the 4-week system. Others will have to wait a few months for this service.

g. Summary of Agency Employment. Note your obligation to assist in this area as outlined in  30 March 1973.

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S-E-C-R-E-T

*Support Clf*

This Notice Expires 1 March 1974

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SECURITY

29 March 1973

### TELEPHONE SECURITY

1. A principal target of Soviet communications intelligence operations in the Washington, D.C. area is governmental telephone conversations handled by AT&T multichannel microwave trunks. This includes the bulk of long-distance telephone calls into and out of U.S. Government offices (including those of this agency), and all commercial toll calls. Long-distance calls normally carried by cable can also be shifted to a microwave carrier by the telephone companies. In short, any long-distance telephonic transmission into or out of the Washington area that is not conducted on an approved secure link (i.e., gray or green line) may fall within the above stated target.

2. There are forty-four AT&T microwave links within a fifty mile radius of three Soviet diplomatic sites in Washington, D.C., all having signal propagation characteristics that make them possibly interceptible. Given the monitoring equipment that is readily available today, it must be assumed that the Soviets, or indeed any group attempting to do so, would succeed in intercepting transmissions over these lines.

3. The message is clear. Do not discuss classified or sensitive information over unsecured telephone links or in the vicinity of those in use.

FOR THE DIRECTOR OF CENTRAL INTELLIGENCE:

HAROLD L. BROWNMAN  
Deputy Director  
for  
Management and Services

DISTRIBUTION: ALL EMPLOYEES

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This Notice Expires 1 April 1974

PERSONNEL

30 March 1973

SUMMARY OF AGENCY EMPLOYMENT

References: [ ] paragraph 2a(1)(g)  
(4)(f)

1. After personnel have retired or resigned, they must be able to provide information and answer inquiries about their work experience in a manner which fulfills their continuing obligation to protect Agency cover and security. To this end, each staff employee, staff agent, career agent, or witting contract employee, upon separation from the Agency, is to take with him an officially approved written statement of his employment history. The statement will be prepared in such a manner as to be unclassified and available for use whenever the individual needs to provide information regarding the period of his Agency employment.

2. An employee who is approaching retirement or contemplating resignation, as soon as he determines that he is on his final assignment, is to consult the administrative officer for his component and obtain guidance and assistance in preparing a written summary of his Agency employment. The administrative officer will also see to the submission of the draft summary to the following for review and approval: the Central Cover Staff if the individual has ever had cover; the CI Staff if the individual has ever been assigned or detailed to the Directorate for Operations; and the Office of Security. While in most cases these actions are expected to be completed well in advance of the separation date, circumstances may reduce the time available. In any event, approvals should be obtained no later than two weeks before the individual's separation from the Agency. The administrative officer will provide the employee with a clean copy of the approved summary and will send the coordinated and approved original to the Office of Personnel for permanent retention in the employee's official file.

3. When a supervisor learns that an employee under his supervision is planning to resign or retire, he should promptly advise the component's administrative officer and ensure that the employee takes timely steps to prepare his summary and to submit it for approval.

FOR THE DIRECTOR OF CENTRAL INTELLIGENCE:

HAROLD L. BROWMAN  
Deputy Director  
for

DISTRIBUTION: ALL EMPLOYEES

Management and Services

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TOP SECRET

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NEWS ANALYSIS SERVICE

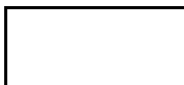
*Support Chf*

DATE: 10 Apr  
ITEM: NO. 27  
REF: NO. \_\_\_\_\_

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86.

CIA RETIREMENT

WASHINGTON (AP)-THE SENATE TODAY PASSED A BILL TO RAISE THE CEILING IMPOSED BY CONGRESS IN 1964 ON THE NUMBER OF RETIREMENTS IN THE CENTRAL INTELLIGENCE AGENCY.

THE CEILING OF 800 FOR THE FIVE-YEAR PERIOD ENDING JUNE 30, 1974, ALREADY HAS BEEN REACHED. THE BILL WOULD INCREASE THE CEILING TO 2,100 FOR THAT PERIOD AND ESTABLISH A LIMIT OF 1,500 RETIREMENTS FOR THE NEXT FIVE YEARS.

THE BILL, WHICH GOES TO THE HOUSE, APPLIES PRIMARILY TO CIA EMPLOYEES WHO HAVE WORKED ABROAD ON INTELLIGENCE MISSIONS.

PD22OPES 4/10

Comment:

These comments represent the initial and tentative reaction of the Office of Current Intelligence to the above information.  
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# EMPLOYEE BULLETIN

CWC  
Auffant chf

STATINTL

No.

30 March 1973

## "FACT SHEET" ON INCOME TAX REFUND OF CIVIL SERVICE RETIREMENT CONTRIBUTIONS

1. In view of the interest and publicity concerning a current court case challenging the Government's right to tax, in the year withheld, employee contributions to the Civil Service Retirement and Disability Fund, the IRS has issued a "Fact Sheet" regarding this subject. The "Fact Sheet" is quoted below for the information of all employees:

"On April 26, 1972, the Internal Revenue Service ruled (Rev. Rul. 72-250, I.R.B. 1972-21, 6) that the portion of a United States Government employee's compensation that is withheld and contributed to the U.S. Civil Service Retirement and Disability Fund is income in the taxable year withheld and contributed just as if it were paid to the employee directly.

"That ruling reiterates the current as well as the long-standing IRS position on this issue based on court decisions and a 1956 ruling (Rev. Rul. 56, 473, C.B. 1956-2, 22). The court cases are cited as Cecil W. Taylor v. Commissioner, 2 T.C. 267 (1943), affirmed sub nom. Malcom D. Miller, et al. v. Commissioner, 144 F. 2d 287 (1944); and Isaiah Megibow, et ux. v. Commissioner, 218 F. 2d 687 (1955).

"The IRS position is the same with regard to employee contributions to similar state and local governmental retirement plans.

"There is litigation on the issue currently pending before the U.S. Tax Court and a U.S. District Court. It is expected that the court cases will be protracted and that the losing parties will appeal. Thus, it may be years before the issue is resolved finally by the courts.

"Taxpayers who do not agree with the IRS position and wish to make claim for refund of income taxes previously paid on their contributions to the Retirement and Disability Fund can do so by filing Form 843. In general, Form 843 must be filed on or before April 16, 1973 to claim a refund of taxes paid for the year 1969. Likewise, claims for 1970 must be filed on or before April 15, 1974.

"Taxpayers should not reduce income on 1972 income tax returns by deducting or excluding their contributions to the Retirement and Disability Fund. The IRS will identify returns reflecting such deductions or exclusions and process those returns under its 'Unallowable Items Program.' The reduction in income will not be allowed and any refund otherwise allowable will be delayed.

"Instructions for Form 843 are on the reverse side of the form. In completing item 'i', which is the amount to be refunded, the taxpayer may insert the exact amount of refund being claimed on 'In excess of \$1'. In completing item 'k', the explanation for the claim, the IRS will accept the following as adequate to cover a claim based on contributions to the U.S. Retirement and Disability Fund:

'Taxpayer, a Federal employee, is entitled to exclude his contribution to the U.S. Civil Service Retirement and Disability Fund from his income for tax year 19\_\_\_. I believe the IRS position taken in Rev. Rul. 72-250, I.R.B. 1972-21, 6, is in error.'"

2. A limited supply of IRS Forms 843 is available in Room 5-E-11 Headquarters Building. Employees may arrange to obtain a copy of the form by contacting an IRS office at 557-0680 or 964-2282.

DISTRIBUTION: ALL EMPLOYEES